I. Background

In 2018, Governor Eric Holcomb signed Senate Enrolled Act 50 into law. In part the legislation charged the Governor's Workforce Cabinet with reviewing each workforce related program. As such, on May 1, 2018 at the inaugural Governor's Workforce Cabinet meeting, a Workforce Funding Action Team was created to conduct such a review.

- Brad Rhorer, Senior Manager for Human Resources, Subaru of Indiana
- Christine Ernst, President Trans-Plants
- Sascha Harrell, Director Education and Workforce Development IN-Mac
- Elaine Bedel, President Indiana Economic Development Corporation
- Nick Goodwin, Chief Strategy Officer Department of Workforce Development

The team began their review by analyzing state and jointly (federal and state) funded programs under the Department of Workforce Development (DWD). The team also conducted a review of the Skills Enhancement Fund (SEF) Program under the Indiana Economic Development Corporation (IEDC), and was provided with an in-depth analysis of the funding flexibility for several other state and federal workforce related programs as defined by IC 21-4.1-1-7. That analysis may be found in Appendix B. Additionally, a summary of the recommendations may be found in Appendix C.

II. SUMMARY OF FINDINGS

- 1. There is no standard way to determine ROI across the various workforce programs.
- **2.** While programs are effectively moving more Hoosiers into training and careers, there is some duplication of efforts across programs and agencies.
- **3.** More control could be given to local communities to run programs if there were a better method for determining accountability.
- **4.** There is a general lack of awareness from individuals and employers surrounding the existence of state and federal programs that help upskill/reskill and connect talent.

The following is an overview of each program that was analyzed. Following the program overviews is an initial set of recommendations to the Governor and the General Assembly. The agendas and meeting summaries may be found in Appendix A.

III. SENIOR COMMUNITY SERVICES EMPLOYMENT PROGRAM (SCSECP)

The Senior Community Service Employment Program (SCSEP), a federally-funded program, is a community service and work-based job training program for older Americans. Authorized by the Older Americans Act, the program provides training for low-income, unemployed seniors. SCSEP participants gain work experience in a variety of community service activities at nonprofit and public facilities, including schools, hospitals, day-care centers, and senior centers. Participants work an average of 20 hours a week, and are paid the highest of federal, state, or local minimum wage.

Funding and Alignment

The Department of Workforce Development receives the funding, which is then sub-granted out to National Able. National Able is responsible for filling the "slots" that are assigned by USDOL. In PY16, DWD had 233 slots to fill and in PY17 DWD had 213 slots to fill.

IV. <u>RECOMMENDATION</u>

The Governor's Workforce Cabinet needs to continue to examine all federally funded workforce programs throughout the development of the WIOA Combined Plan.

V. <u>INDIANA ADULT EDUCATION</u>

Indiana Adult Education programs provide math, reading, and writing instruction free of charge to help individuals acquire basic skills needed to earn a High School Equivalency (HSE), go to college, or enter an entry-level occupational certification program. Nearly half of adult education students are initially assessed with academic skills below 6th grade, while only slightly more than 20 percent already have a high school diploma. Adult education helps to close skills gaps, and prepares students for further education and certifications in industry recognized, in-demand occupations leading to better jobs.

Adult Education also connects with the workforce system and employers, all at a low cost. Through dozens of formalized employer partnerships, Adult Education students are placed in internships, on-the-job training, and/or full-time employment. Ultimately, adult education improves the well-being of Hoosier families and communities, and furthers economic growth for a stronger Indiana.

Funding and Alignment

The Adult Education program is funded through state and federal grants given by the Indiana Department of Workforce Development to providers within all 12 economic growth regions. These regions are governed by the workforce development boards. Funding is primarily used for instruction and direct services to adult learners.

• Total Allocation (2015-2017): \$65,489,340 • Total Participants (2015 – 2017): 82,073

VI. RECOMMENDATION

There are approximately 450,000 individuals, age 18 to 64, across the state that do not have a high school diploma. As such, it is necessary to have a mechanism in place to help those Hoosiers gain the remedial skills necessary to obtain an HSE and move into some type of postsecondary education and training program. Throughout the development of the next Workforce Innovation and Opportunity Act (WIOA) state plan, considerations need to be made for how to enhance and improve the alignment of this program with other state and federal programs.

Through the state planning process, consideration should be given as to the role of the state compared to that of the local workforce boards in administering and overseeing the Adult Education program. There is potential to have a greater connection between the local workforce boards and the adult education providers if the state were to set minimum thresholds for which the local boards must adhere to when selecting providers within the region.

VII. Jobs for America's Graduates Program Overview

Jobs for America's Graduates (JAG) is a state-based, national non-profit organization dedicated to preventing the most at-risk students from dropping out of high school. JAG's mission is to keep young people in school through graduation and provide work-based learning experiences that will lead to career advancement opportunities or enrollment in a postsecondary institution. JAG students receive adulating mentoring while in school as juniors and seniors and one year of follow-up counseling after graduation. Indiana's JAG program is the largest in the county, and nationally recognized for its exceptional outcomes. The program is governed by a national board, which is chaired by Governor Eric Holcomb.

Funding and Alignment

The JAG program is funded through grants provided by the Indiana Department of Workforce Development to all 12 economic growth regions, which are governed by workforce development boards.

- Total Allocation (2010 2017): \$81,047,957
- Total Participants (2010 2017): 16,049

VIII. RECOMMENDATION

Thousands of students drop-out of our K-12 education system each year. Each year the number of individuals who have drastically lower odds of ever entering meaningful employment increase and contribute to the number of individuals that lack the skills needed to compete in a modern economy. Additionally, thousands more have no true postsecondary plan upon graduation. The skills and abilities gained throughout the JAG program can help at-risk students understand ways to connect school to work, engage students to keep them on track for graduation, and provide a valuable support system to those students. The state must continue to look for ways to expand and strengthen the JAG program. Schools utilizing the JAG program must continue to look for ways to partner with local businesses and postsecondary partners to provide these students with meaningful and relevant experiences while in high school so they are able to gain the skills necessary to compete upon graduation.

IX. SKILL UP INDIANA!

Skill UP Indiana! (Skill UP) is a grant program providing funds to regional partnerships for the implementation of programming aimed at ensuring Hoosier citizens have the skills, knowledge, and abilities to meet the needs of the one million jobs that will be available between now and 2025. Anticipated outcomes include the development of career pathway systems that put citizens on a career path toward economic prosperity, increased enrollment in work-and-learn opportunities, increased educational attainment, and the alignment of education to current and projected workforce needs.

The Innovation Network concept has provided communities and regions a new approach to organizing around employer demand to solve their workforce issues of today and the future. Through gathering and responding to employer demand, multiple employers all across the state have been engaged, thus ensuring their direct needs will be met in each of the in-demand occupation areas identified through their respective networks.

Funding and Alignment

In Rounds 1 & 2, nearly \$19 million in total grant funding was provided to 25 industry-led community partnerships. On April 30, 2018, the Department of Workforce Development announced the recipients of \$9.546 million for Skill UP Round 3, which included 11 Innovation Networks throughout the state. This funding is made up of a combination of state funding and private sector matches. Private sector matches total to more than \$22 million.

Total Allocated (2015 – 2017): \$18,940,071 Total

Participants (2015 – 2017): 6,535

X. RECOMMENDATION

Skill UP has cultivated a number of great opportunities throughout the state. However, the Innovation Network concept and the lack of a requirement to connect to the local workforce system has created alignment challenges. Additionally, there are a number of activities for which grant funding can be utilized. The Innovation Network concept that Skill UP has transformed into has contributed to the creation of a system that could work around, not with, the federally required workforce system. There is no clear requirement for businesses or education and training providers to partner with local workforce boards. Therefore, this is simply just another program operating in a crowded space. The challenges outlined have created issues when trying to measure the program's return on investment as well. Considering all of these concerns, Skill UP funding should be shifted to fund a true employer driven system, such as the Next Level Jobs program.

XI. <u>NEXTLEVEL JOBS: EMPLOYER TRAINING GRANT</u>

Last fall, Governor Holcomb announced the launch of the Next Level Jobs program and, with it, the creation of the Employer Training Grant Program. The goal of this program was simple: Get funding into the hands of employers in our most in-demand economic sectors so they could equip new hires and incumbent workers with new skills relevant to the changing economy. Many of these employers described their difficulty in hiring and retaining new hires for the required six month period, while several others cited that they do not invest in training new hires until after reaching a probationary period, typically 90 days. This would stretch training reimbursement beyond nine months, so employers were reluctant to participate in the program initially. As such, the state listened to employers and made a few significant changes to the Employer Training Grant program.

Launched in 2017, this grant covers occupational skills training to help build Indiana's workforce. This includes business sectors, such as advanced manufacturing, building and construction, health and life sciences, information technology, business services, transportation and logistics, and agriculture. The Employer Training Grant gives employers in any high demand

business sector reimbursement for up to \$5,000 for each newly trained employee who is hired and retained for six months.

Employers must submit a training plan in order to be eligible for funding. The training plan for each employee must verify that it's occupational skills training aligns to an approved occupation. Additionally, the training must encompass more than 40 hours. There are more than 100 occupations that are eligible for employer training grants, Training and payment can be completed within six to eight months. There is a \$50,000 cap for each employer, and the job must be middle to high skill, high-demand, and high wage. The Employer Training Grant program has greatly increased the state's ability to connect people and employers through engagement with continued accountability and transparency. Through ETG, employer engagement has reached 342 employers not currently utilizing the Indiana Career Connect resource, thus creating new business leaders for the state's area Workforce Development Boards to work with, and it has allowed for the expansion of business services across the State.

Funding and Alignment Total Obligated: \$15,000,000 Total Business Applications: Approximately 1,050 Total Employees to Receive Training: Approximately 6,200

XII. RECOMMENDATION

The Next Level Jobs Employer Training grant has been successful at engaging over 1,000 businesses and providing training to over 6,000 individuals in just over one year. The impact to those individuals and the state's economy cannot be overstated. At a time when employers continue to struggle finding talent to meet their business's needs, there needs to be a simple mechanism to connect their employees to training opportunities. Expansion of the NLJ would be a win for both the state and the business community. This program could potentially be strengthened by ensuring wage gain or credential attainment is a part of the training that the employer provides. This would ensure that the individuals being trained get paid more or come away with verifiable skills that are portable. However, this program must remain flexible so as the economy shifts, it can be tailored to changing business needs.

XIII. HOOSIER INIATIVE FOR RE-ENTRY (HIRE)

The Hoosier Initiative for Re-Entry (HIRE) helps ex-offenders reintegrate into society to become a taxpayer instead of a tax burden. The program is led by the Department of Workforce Development (DWD), in collaboration with the Indiana Department of Corrections (IDOC), and other local and statewide partners. HIRE also works in cooperation with many other DWD programs. HIRE recently established a presence in DOC juvenile facilities. Upon release, youth are referred to the HIRE Coordinator, WorkOne, or, if returning to high school where a JAG

program exists, to the JAG Manager. In addition, the HIRE program and IDOC also benefit from the WorkINdiana training partnership, which provides hundreds of clients with certifications for in-demand jobs across the state.

The HIRE program works with employers to understand their business needs and determine the knowledge, skills, abilities, and aptitude that will make an employee successful in their organization. The purpose of HIRE is to help these ex-offenders create career paths to be able to give them the opportunities to improve their lives in a sustainable way through work. HIRE participants are placed in many different types of industry based on their skills and interests. The top industries for placement are production (48%), restaurant (15%), warehouse (9%), and construction (7%). The average wage of individuals placed by the HIRE program over the past three years is about \$10.56 per hour.

Funding and Alignment

The HIRE program leverages a number of funding sources for maximum impact across the state. Additionally, the 13 HIRE employment coordinators are critical to the success of the HIRE program. Coordinators work with state and county correctional department, as well as Work Release Programs, non-profit partners, legal and judicial systems, and WorkOne partners to create a support and referral system to place clients on successful and sustainable career paths and help a wide range of ex-offenders.

• Total Allocation (2015 – 2017): \$3,300,000 • Total Participants (2015 – 2017): 15,127

XIV. RECOMMENDATION

There are a number of positive initiatives taking place within the state's correctional facilities to help individuals prepare for re-entry, and the Governor has given an ambitious target for offender training and job placement. The certificate training programs have recently been bolstered to include programs that lead to in-demand occupations. Additionally, the Department has developed infrastructure to bring employers into the state's correctional facilities to start relationships with prisoners prior to their release, an effort that is resulting in sharply-rising job placement rates and will no doubt impact recidivism.

Similar to the CTE Performance grant funding questions around alignment exist with the HIRE program. Ensuring that individuals are equipped with the knowledge, skills, and abilities to gain and sustain employment prior to release is of the utmost importance. As such, transitioning the HIRE program to the Department of Corrections creates a more aligned system to support the state's offender population prior to their release and gives Indiana the best chance at moving these individuals into sustainable long-term employment.

Through the end of the fiscal year, the DWD and the DOC should ensure that proper mechanisms are in place that allow for a smooth transition of the program. Incarcerated individuals need more opportunities to gain awareness of programs that can benefit them as well as a chance to gain and

demonstrate employability skills prior to their release. Upon their release, there needs to be a seamless handoff to employment or additional services that can be provided by the state's local workforce system.

XV. WORK ETHIC CERTIFICATE

The State Workforce Innovation Council (SWIC) developed and adopted a community and employer-recognized Work Ethic Certificate (WEC) to be earned by high school seniors. The WEC recognizes the invaluable currency of their employability skills. The program is structured to connect employers to their local school district through a College and Career Readiness Advisory Council, establishing fundamental, collaborative partnerships for this program, and continued alignment between the business community and our education system.

Senate Enrolled Act 297-2018 codified the WEC program and the need for the Department of Workforce Development and Department of Education (DOE) to establish, with the approval from the State Board of Education (SBE), interdisciplinary employability skill standards based on the current construction of the WEC program. All schools will be required to include these standards in their course delivery for the 2019-2020 school year. These standards will also be aligned to Indiana Career Explorer delivery, which will be a required program in the 8th grade for all school corporations starting in the 2019-2020 school year. All student participants must demonstrate proficiency in the following nine subjective and objective competencies to earn the WEC:

- Possess a cumulative GPA of 2.0 or higher and meet graduation requirements
- Attendance rate of 98% or higher
- One or fewer discipline referrals during the eligible school year
- Minimum of 6 hours of school or community service during the eligible school year
- Perseverance and problem-solving
- Service to others, possess a positive attitude, and strong communication skills
- Ability to be a self-starter and critical thinker
- Reliability, responsibility, and teamwork
- Organization skills, importance of punctuality, and self-management

Funding and Alignment

In 2016, DWD received \$590,000 from Workforce Innovation and Opportunity Act (WIOA) set aside funds to support local planning and implementation of the WEC. DWD granted this funding out to 18 schools, consortiums of schools, Career and Technical Education programs, and workforce partners to support these efforts.

XVI. RECOMMENDATION

The Work Ethic Certificate program provides an opportunity for local businesses and schools to collaborate and identify ways that students can demonstrate they have the employability skills necessary to thrive in today's economy. Creating these types of opportunities are important for students, businesses and communities as a whole. As such, this program should continue.

XVII. CTE PERFORMANCE GRANT (PART OF CTE INNOVATION FUND)

Career and Technical Education (CTE) Performance Grants recognize and reward school corporation efforts on targeted CTE performance measures, including the attainment of senior concentrators, dual credit earners, and industry-recognized certifications. CTE Performance Grants are designed to incentive school corporations and CTE districts to build stronger CTE programs that align to employment and/or postsecondary opportunities. Secondary schools must utilize the awarded performance grants on secondary Career and Technical Education expenditures that are directly related to increasing CTE credits and dual credits, senior concentrators and completers, and the achievement of industry-recognized credentials.

Funding and Alignment

These performance grant funds are allocated within DWD's CTE Innovation and Advancement Fund and are in addition to state tuition support funding and federal funding received by school/CTE districts. DWD must allocate up to \$5 million per year in CTE Performance Grants. Since 2015, more than \$10 million has been awarded to 300 schools.

XVIII. RECOMMENDATION

It is important to consider maintaining opportunities to incentivize outcomes for CTE programs across the state. The CTE Performance Grants awarded by DWD go to schools within the K-12 system. Continuing to have multiple agencies charged with overseeing CTE funds prevents true alignment across the system from happening. The state should include incentive dollars to the CTE funding that is part of the general tuition support funding that goes to school districts rather than maintain a separate funding stream within an agency that does not have direct oversight of the K-12 system.

XIX. SERVE INDIANA

Serve Indiana's mission is to advance service and volunteerism by informing, connecting, and promoting opportunities and resources that enrich the lives of Hoosiers. The vision of the division is that all Hoosiers are involved in their communities through either service and/or volunteerism in some capacity.

XX. <u>RECOMMENDATION</u>

The Governor's Workforce Cabinet needs to continue to examine all federally funded workforce programs throughout the development of the WIOA Combined Plan.

XXI. WORKINDIANA

The WorkINdiana program enables adult education students the ability to concurrently and contextually earn a high school equivalency certificate and an industry-recognized certification. The career certifications, which are offered in advanced manufacturing, business administration and support, construction, health care, hospitality, information technology, and transportation and logistics, provide job seekers the boost they need to enter high demand fields in Indiana. WorkINdiana grantees are required to offer employment services to eligible participants by partnering with local employers to provide workforce preparation, interviews, job shadowing, internships, paid or unpaid work experiences, and/or job placement. Grantees are allowed funding to cover supportive service costs for eligible participants. Supportive costs may cover, but are not limited to: child care, transportation, and occupational related physicals, vaccinations, materials, and clothing. In addition to building relationships with local employers to offer employment assistant to eligible WorkINdiana participants, beginning in PY18 grantees are required to partner with at least one employer to offer programs to the employers existing employees that do not have a high school diploma or equivalency as part of the Employer Reimbursement Grant (ERG).

When the Governor signed HEA 1002 into law, a new component to WorkINdiana was created. Following the "Cook Pathways" model, \$1,000,000 was set aside to incentivize employers to hire individuals without a high school diploma, enroll them in adult education services, and allow them to simultaneously complete their HSE while working.

Funding and Alignment

Employer Reimbursement Grant: Up to \$500 reimbursed for employers that cover instructor salaries and/or administrative/supportive costs associated with getting qualified participants a HSE/industry-recognized credential through Adult Education.

Total Allocation (2015 – 2017): \$9,566,439 **Total Participants (2015 – 2017):** 3,647 **Total Certifications (2015 – 2017):** 3,008

WorkINdiana is funded through state grants provided by the Department of Workforce Development (DWD) to all 12 economic growth regions. Funding is competitive and is used primarily for an eligible participant's training tuition and direct support service costs. Beginning in PY18, a portion of the funding will be used to satisfy the ERG requirement.

DWD has an active memorandum of understand (MOU) with Family and Social Service

Administration (FSSA) that allows WorkINdiana to utilized Temporary Assistance for Needy Families (TANF) funding for WorkINdiana eligible participants. This funding mimics WorkINdiana's eligibility and covered cost criteria with the exception of the ERG. In addition, Indiana Department of Corrections (IDOC) adds \$250,000 a year via an MOU to the WorkINdiana allocation received from DWD.

XXII. RECOMMENDATION

The WorkINdiana Certificate Program has been a valuable program that has allowed individuals receiving Adult Education (AE) services to enhance their skills by earning an industry recognized certification once they have completed some skill remediation component as part of their AE program. This has allowed several thousand individuals to gain a certification since the program's inception in 2010.

Over the past few years, there have been changes at the state and federal level that have created similar programs to WorkINdiana where funding is individual-based, rather than steered through a board or training provider. This has created duplicative programs that have crowded an already somewhat tangled system. Additionally, DWD is committed to dedicating an increasing percentage of Adult Basic Education funding for certification attainment through an Integrated Education Training model. As that continues, there is less need for the current WorkINdiana funding stream to be dedicated to a parallel effort. As such, the state should shift the resources being used for the WorkINdiana certificate program to the Next Level Jobs Workforce Ready Grant program, and as the Governor's Workforce Cabinet develops the next iteration of the Workforce Innovation Opportunity Act state plan, increasing the amount of Adult Education funding to support the Integrated Education and Training program must be considered. The state should look to strengthen opportunities for wrap around services and ways to connect individuals to local workforce boards and other local programs as part of expanding access to the Workforce Ready Grant program and Integrated Education and Training.

Additionally, the team recommends that the \$500 reimbursement program for employers that was added into law to hire and help support individuals without a high school diploma get employment and their HSE be increased.

XXIII. SKILLS ENHANCEMENT FUND

The Skills Enhancement Fund (SEF) is an incentive program utilized by the Indiana Economic Development Corporation (IEDC) that provides businesses with an opportunity to receive funding for training employees. The agreement between the company and the IEDC lasts for a period of five to seven years in which the training is provided within the first three years of the agreement while the company has to maintain certain reporting requirements for the remainder of the contract. These reporting requirements include:

- Summary statistics relating to training, training expenses and capital investment that occur in the applicable year;
- Individual employee data to support contractual employment thresholds; and
- Training expense information and data supporting the positions trained will be required for each payment request.

Additionally, the IEDC is beginning to track outcome data for the individuals that receive training. These metrics include: wage gain and certifications or degrees earned as a result of the training.

XXIV. <u>RECOMMENDATION</u>

SEF is an important economic development tool. Many states have similar programs they utilize to help attract and retain businesses. Businesses need to know that if they are to relocate to or stay in a state, the state also values helping them attract and retain the talent needed for their growing workforce. While there are some similarities between the NLJ Employer Training Grant and SEF, they are two different programs. SEF is more of an economic development tool, whereas the NLJ Employer Training Grant program is an education and training tool. This program could potentially be strengthened by ensuring wage gain or credential attainment is a part of the training that the employer provides. This would ensure that the individuals being trained are paid more or come away with verifiable skills that are portable. Additional consideration should be made into whether or not an employer is eligible for both a NLJ Employer Training Grant and SEF funding.

XXV. ADULT LEARNER PROGRAM

The Adult Learner Program is a program funded out of the Department of Education that provides opportunities for charter schools to re-engage adults without a high school diploma. There are three Adult Learner Programs that operate with charters provided by three of the state's charter authorizers. This program is distinct and different from the Adult Education program that is jointly funded by the state and federal government through DWD because students have the opportunity to earn an actual high school diploma instead of a high school equivalency. Additionally, these programs look to provide services to their students that remove some of the barriers typically felt by the population they serve such as: transportation, childcare, etc.

XXVI. <u>RECOMMENDATION</u>

The Cabinet should continue to assess this program.

XXVII. ADDITIONAL RECOMMENDATIONS

- Utilize the WIOA Combined Plan to strategically align federal workforce programs that are housed within a number of state agencies. For example: SNAP/TANF IMPACT program, Jobs for Veterans, Perkins.
- Continue to analyze workforce programs through the development of the WIOA Combined Plan.
- Continue to look to greater alignment between state and federal programs, the state agency that administers those programs, and the population the agency serves.
- Continue to look to shift resources and decision-making to local communities.
- Develop a better communication plan and strategy to inform people of the programs the state has to offer to connect individuals to education, training, and employment.
- Develop common metrics for workforce programs to be able to compare return on investment across programs.
- Utilize part of the funding from the CTE Innovation fund and WorkINdiana program to fund the Career Coaching and Navigation grant program.

XXVIII. <u>APPENDIX A – AGENDAS AND SUMMARIES</u>



Governor's Workforce Cabinet

Workforce Funding Review Action Team Agenda Monday, May 21, 2018 11:00am-12:00pm 302 W. Washington, E012 Indianapolis, IN

I. Welcome and Roll Call II. Introductions

III. Mission and Goals of the Workforce Funding Review Team

IV. Discussion: Defining Success of the Programs

V. Timeline and Requirements for a comprehensive report and plan

VI. Schedule of Meetings

VII. DWD Program Funding Overview

VIII. Any Other Business

Summary

This was the first meeting of the Workforce Funding Team. The team reviewed SEA 50 that outlined the charge of the Cabinet. One duty outlined by SEA 50 was to do a comprehensive review of workforce programs. The team then reviewed IC 22-4.1-1-7, which defines workforce programs. The team began a conversation around how to define the success of a workforce program. The team looked at the list of workforce programs that were identified by the Indiana Career Council in their alignment analysis from 2014. The team then decided that it would start by reviewing workforce programs housed within DWD. The team was also able to outline a timeline for program reviews and what information they would like to see included in order for them to be able to make decisions regarding the programs.



Workforce Funding Review Action Team

Agenda Monday, June 18, 2018 11:00am-12:00pm 302 W. Washington, E012 Indianapolis, IN

- I. Welcome and Roll Call
- II. Overview
- III. Begin DWD Program Review
 - a. SCEP
 - b. Adult Education
 - c. JAG
- IV. Discussion: Defining Success of the Programs
- V. Any Other Business

Summary

The second meeting of the Workforce Funding Action team included a deeper conversation around defining the success of workforce programs. Review of DWD programs began with a federally funded program, Senior Community Services Employment Program. Then the team moved to a jointly funded program, Adult Education, and ended with a review of another program that leverages state and federal dollars, JAG. It was decided that the team would review state and jointly funded programs moving forward, rather than those programs that were funded with federal funding only.



Workforce Funding Review Action Team
Agenda
Monday, July 16, 2018
10:00am-12:00pm
302 W. Washington, E012
Indianapolis, IN

I. Welcome and Roll Call

II. Skill UP Review

III. NLJ - ETG Review

IV. HIRE Review

V. WEC Review

VI. Any other Business

VII.

Adjournment

Summary

At the third meeting, the team continued their review of a number of programs that are run by the DWD. Skill UP Indiana! and the Next Level Jobs Employer Training grant program are both currently funded out of the CTE Innovation line item in the DWD's budget. The team also reviewed HIRE and the Work Ethic Certificate program. There was rich discussion around each program, and continued discussion around how to define success across each of these programs.



Workforce Funding Review Action Team Agenda Tuesday, August 14, 2018 8:30am-10:30pm 302 W. Washington, E012 Indianapolis, IN

- I. Welcome and Roll Call
- II. CTE Performance Grants
- III. ServeIN
- IV. WorkIN
- V. Any Other Business
- VI. Adjournment

Summary

At the fourth meeting, the team reviewed another component of the CTE Innovation Grant fund outlined in DWD's budget. The CTE Performance grant provides incentive funding for K-12 schools in which students meet certain outcomes. ServeIndiana is a service-based program in which non-profit organizations can seek help finding staff to help their cause. The team also began a review of WorkIN, but did not have time to complete the entire review.



Workforce Funding Review Action Team Agenda Thursday, September 13, 2018 10:00am-11:00am 302 W. Washington, E012 Indianapolis, IN

- I. Welcome and Roll Call
- II. WorkIN
- III. Skills Enhancement Fund
- IV. Any Other Business
- V. Adjournment

Summary

The team continued its review of WorkIN. There was much discussion around the certifications that an individual can earn that goes through the program. Additionally, there was a lot of conversation about how the dollars get to the individual. It was outlined that the program currently provides funding to Adult Education providers or local workforce development boards to connect individuals in adult education with certificate opportunities. The team also conducted a review of the Skills Enhancement Fund operated by the Indiana Economic Development Corporation.



Workforce Funding Action Team
Agenda
Friday, September 28, 2018
11:00 am - 1:00pm
Indiana Government Center South
302 West Washington Street, Rm E012
Indianapolis, IN

- I. Welcome and Roll Call
- II. Adult Charter Review
 - a. BSU
 - b. ICSB
 - c. Mayor's Office
- III. Workforce Funding Flexibility and Combined Plan
- IV. Workforce Program Goals and Outcomes
- V. Next Steps
- VI. Adjournment

Summary

In addition to reviewing Adult Education under the Department of Workforce Development the team thought it would be pertinent to review the Adult Learner program under the Department of Education. The charter authorizers that provide charters for each of the schools participating in the Adult Learner program presented to the team as to how they review the schools to ensure they are adhering to their charter. Additionally, the team looked at a workforce funding chart that was developed by Thomas P. Miller and Associates that outlines how much flexibility exists across each of the workforce funding program identified by the Indiana Career Council in 2014.

Funding/ Program	Description	Admin Agency	Rule Maker	Gen Ably Flexbility	Agency Flexibility	Agency Flexibility Rational	General	Dedicated	Federal	Total	% of Total	State	Federal	Total	% of Total
21st Century Scholars Award	Provides students up to four years of undergraduate tuition at any participating public college or university in Indiana	CHE	State	5	3	Significant state statute requirements regarding student eligibility (initial and continuing eligibility). See IC 21-12-3 CHE has rulemaking authority regarding award amounts and student performance criteria that influences award amounts.	\$146,343,866	\$0	\$0	\$146,343,866	13.7%	\$307,862,845	\$0	\$307,862,845	14.4%
Earn Indiana Work	Match to employers who provide high-need students with paid internships	CHE	State	5	3	Statute specifies requirements for employer eligibility, CHE agreements with employers, student weekly work hour min/max limits, preference for small business. See IC 21-16-2 CHE given rulemaking authority to implement with limited discretion concerning award policy	\$606,099	\$0	\$0	\$606,099	0.1%	\$1,212,198	\$0	\$1,212,198	0.1%
Frank O'Bannon Grants (Higher Education Award and the Freedom of Choice Award)	Need-based grants for students to attend eligible public, private, and proprietary postsecondary institutions	CHE	State	5	3	Significant state statute requirements regarding student eligibility (initial and continuing eligibility). See IC 21-12-3 CHE has rulemaking authority regarding award amounts and student performance criteria that influences award amounts. See: https://www.in.gov/che/files/2017-2018_Frank_OBannon_Grid_2_20_17-8.5x11.pdf		\$0	\$o	\$145,740,000	13.6%	\$291,480,000	\$o	\$291,480,000	13.7%
	Stipend for students planning to teach in a "highneed" field	CHE	State	5	3	Statute establishes application criteria, GPA requirements, maximum award value, and direct payment to student. See IC 21-13-8 Eligibility in statute for student teachers pursuing "special education" or "a high-needs field." CHE has rulemaking authority to delineate high-needs fields.	\$450,000	\$0	\$0	\$450,000	0.0%	\$900,000	\$0	\$900,000	0.0%

IIndiana INTERNnet	Indiana internship matching program	СНЕ	State	5	1	Budget Bill title specifies nongovernmental award recipient. CHE role is pass through only. See: https://www.indianaintern.net/	\$250,000	\$0	\$0	\$250,000	0.0%	\$500,000	\$0	\$500,000	0.0%
						nttps.//www.indianaintern.net/									



	<u>-</u>														
Funding/ Program	Description	Admin Agency	Rule Maker	Gen Ably Flexbility	Agency Flexibility	Agency Flexibility Rational	General	Dedicated	Federal	Total	% of Total	State	Federal	Total	% of Total
'	Stipend for minority students participating in student teaching or a school administration internship to meet degree requirements	CHE	State	5	3	Statute establishes application criteria, GPA requirements, maximum award value, and direct payment to student. See IC 21-138	\$50,000	\$0	\$0	\$50,000	0.0%	\$100,000	\$0	\$100,000	0.0%
Minority Teaching Scholarships	Scholarships for minority students planning to teach in an accredited school in Indiana upon graduation	CHE	State	5	3	Statute establishes application criteria, GPA requirements, maximum award value. See IC 2113-2	\$400,000	\$0	\$0	\$400,000	0.0%	\$800,000	\$0	\$800,000	0.0%
Mitch Daniels Scholarship	Scholarship for students who graduate from a publicly supported high school at least 1 year early	CHE	State	5	1	CHE role is predominately administrative, with all policy determinations made in statute. See: IC 21-12-10 Note: Early HS grads receive award of \$4,000 for higher ed paid from K-12 appropriations (tuition support). \$4,000 is less than K-12 expense for senior year, resulting in savings to state. CHE is administrator of award/transfers.	\$845,840	\$0	\$0	\$845,840	0.1%	\$1,691,680	\$0	\$1,691,680	0.1%
National Guard Supplemental Grant	Tuition and regularly assessed fees for eligible members of the Indiana Air and Army National Guard	CHE	State	5	5	Limited statutory restricts, except general requirements relating to National Guard eligibility and award amounts equaling full tuition (less other awards). See IC 21-13-4	\$3,676,240	\$0	\$0	\$3,676,240	0.3%	\$7,352,480	\$0	\$7,352,480	0.3%
Primary Care Shortage Area Scholarship	Scholarships for Marian Univ. med students who agree to serve one year in an underserved community for each year they receive a scholarship	CHE	State	5	1	Statute determines all policy considerations, including award eligibility in detail, award amount, etc. See: IC 21-13-9 CHE role is administrative, without specific rulemaking authority granted	\$0	\$2,000,000	\$0	\$2,000,000	0.2%	\$4,000,000	\$0	\$4,000,000	0.2%

STEM Teacher Recruitment Fund	Grants to high- performing organizations and programs working to increase the number of high-quality STEM teachers	СНЕ	State	5	5	State law requires fund to be used for 2 general program/purposes: (1) funding growth of existing orgs that recruit STEM teachers and (2) funding startup of new orgs to recruit STEM teachers. See: IC 2113-11-9 All else predominately determined by CHE NOTE: Next Gen Hoosier Educators Scholarship created in statute (2016) but has no appropriation. See IC 21-12-16		\$0	\$0	\$5,052,491	0.5%	\$10,104,982	\$0	\$10,104,982	0.5%
-------------------------------------	--	-----	-------	---	---	---	--	-----	-----	-------------	------	--------------	-----	--------------	------

	Administrative badge	aumei				2ma-2019				(6) emminuon	Total				
Funding/ Program	Description	Admin	Rule	Can Abb	A	A Floribility Deblevel	Consent	Dedicated	Federal	Total	OV -FT-1-1	Chaha	Fadami	Total	OV of Total
		Admin	Maker	Gen Ably Flexbility	Agency Flexibility	Agency Flexibility Rational	General	Dedicated	Federal	Iotai	% of Total	State	Federal	Total	% of Total
Workforce Ready Grants	Pays the tuition and mandatory fees for eligible high-value certificate programs	CHE/DWD	State	5	4	CHE and DWD may establish eligible credential (high wage/high demand) Grant award amounts are restricted in statute to education expenses, less other scholarships and certain forms of financial aid State statute defines eligibility criteria. See: IC 21-12-8-9	\$2,000,000	\$0	\$0	\$2,000,000	0.2%	\$4,000,000	\$0	\$4,000,000	0.2%
You Can. Go Back.	Grants that help adults with some college but no degree finish college	CHE	State	5	5	CHE may establish grant award amounts, within floor and ceiling established in budget bill (unlike Work Ready Grant) See: IC 21-128-2 CHE and DWD may establish eligible credential (high wage/high demand) State statute defines eligibility criteria. See: IC 21-12-8-3	\$7,579,858	\$0	\$0	\$7,579,858	0.7%	\$15,159,716	\$0	\$15,159,716	0.7%
Adult Basic Education	Foundational skills development	DOC	Feds	2	3	WIOA funding source, with joint rules issued by USDOE and DOL. Federal rules govern curriculum and assessment practices for adult education and family literacy funds.	\$0	\$0	\$499,502	\$499,502	0.0%	\$0	\$999,004	\$999,004	0.0%
Career and Technical Education Line Item	DOE CTE line item	DOE	State	5	5	No clear statutory or budget bill reference, beyond CTE appropriation title. Under state statute SBOE's comprehensive authority over CTE extends to SBOE rulemaking authority (IC 20-20-38-8 and IC 2020-38-5) and allocation of funds appropriated by legislature and distributed pursuant to Governor's Workforce Cabinet (IC 20-20-38-13).	\$1,212,903	\$0	\$0	\$1,212,903	0.1%	\$2,425,806	\$0	\$2,425,806	0.1%
Distribution for Adult Learners	Provides structured learning environment that meets the unique needs of adult students	DOE	State	5	1	Budget bill establishes formula and dollar award adult charter schools. No agency discretion available. See: SECTION 98. IC 2024-7-13.5	\$38,643,750	\$0	\$0	\$38,643,750	3.6%	\$73,237,500	\$0	\$73,237,500	3.4%

				Admini	strative Back	kground			2018-2019				Biennium	Total	
Funding/ Program	Description	Admin Agency	Rule Maker	Gen Ably Flexbility	Agency Flexibility	Agency Flexibility Rational	General	Dedicated	Federal	Total	% of Total	State	Federal	Total	% of Total
Distribution - CTE-	nding from \$7B DOE tion support budget for :2018-2019 figure is - estimate	DOE	State	5	3	DWD designates CTE course classification (high, mid, low Wage and Course Level). Designation under current law done "in consultation with" IDOE. P.L. 230-2017 mandates that any future CTE program be approved by DWD. SBOE approves new courses currently and in future. See: https://www.doe.in.gov/sites/def ault/files/cte/18-19-funding-memo-and-chart-updated-dwd.pdf State statute defines categories for DWD/SBOE designation and corresponding dollar values and all other aspects of allocation formula.	\$119,864,420	\$0	\$0	\$119,864,420	11.2%	\$232,160,370	\$0	\$232,160,370	10.9%
Perkins Career and Fed Technical Education stat		DOE	Feds	3	3	State - Statutory Requirements SBOE is to "receive, distribute, and account for all funds" under Perkins. SBOE is "State Education Authority" for Perkins purposes. See: IC 20-20-38-6 Budget Agency Augmentation Authority: "The budget agency, with the advice of the state board, and the budget committee, may augment or proportionately reduce an allocation of federal funds." IC 20-20-38-12. Augmentation authority permits Governor to authorize gen fund expenditures beyond legislative appropriations. Section 11 of the Budget Bill delineates Perkins funding amounts for State Programs and Leadership, Secondary Vocational Programs, and Postsecondary Vocational Programs. Section 11 also reinforces SBOE's SEA and decision-making authority. However, budget bill appropriates state match to IDOE. State - Current Practice SBOE cedes all authority to IDOE. SBOE/IDOE enter MOU, with SBOE delegating all authority and implementation requirements to IDOE. Federal Requirements Federal statute proscribes state allocation formula to districts and requires allocations to post-	\$494,000	\$0	\$24,933,705	\$25,427,705	2.4%	\$988,000	\$49,867,410	\$50,855,410	2.4%

Funding/ Program	Description	Admin Agency	Rule Maker	Gen Ably Flexbility	Agency Flexibility	Agency Flexibility Rational	General	Dedicated	Federal	Total	% of Total	State	Federal	Total	% of Total
Adult Basic Education	Foundational skills development to adults and out–of–school youth for the purpose of employment	DWD	Feds	2	3	State program referenced in state WIOA plan as part of holistic approach. State statute reinforces state plan and allocation restrictions. IC 224.1-20	\$14,452,990	\$0	\$8,208,010	\$22,661,000	2.1%	\$28,905,980	\$16,416,020	\$45,322,000	2.1%
Dropout Prevention (JAG)	Helps low-income, at risk youth graduate from high school and make successful transitions to postsecondary education, training, and/or full-time employment	DWD	State	5	5	Indiana's own initiative, receiving less than 10% of total support from WIOA (from state's discretionary set aside). State program referenced in state WIOA plan as part of holistic approach.	\$8,000,000	\$0	\$0	\$8,000,000	0.7%	\$16,000,000	\$0	\$16,000,000	0.8%
Hoosier Initiative for Re-Entry	DWD and DOC collaboration for exoffenders	DWD	State	5	5	No apparent statutory restrictions beyond implications in appropriation title. State WIOA plan references use of HIRE program as coordination effort with other state agencies and Wagner-Peyser-funded activities	\$648,742	\$0	\$0	\$648,742	0.1%	\$1,297,484	\$0	\$1,297,484	0.1%
Indiana Construction Roundtable	Funds ICR Foundation which focuses on attracting individuals to careers in skilled trades	DWD	State	5	1	Passthrough to ICR Foundation	\$1,000,000	\$0	\$0	\$1,000,000	0.1%	\$2,000,000	\$0	\$2,000,000	0.1%
Jobs for Veterans State Grants	LVERs and DVOPS provide labor exchange services to veterans and ensure veterans receive preference in job referrals	DWD	Feds	1		A federally required partner program to WIOA, with substantial rules applying to veteran preference and fund allocation within the WIOAprescribed administrative system.	\$0	\$0	\$3,275,500	\$3,275,500	0.3%	\$0	\$6,551,000	\$6,551,000	0.3%
SkillUp (CTE Innovation and Advancement)	Advancement of statewide CTE programs and workforce initiatives focused on high-wage, highdemand jobs	DWD	State	5	5	State statute places \$10M cap on funds used for Skill Up discretionary Grants. Remaining funds must be used for Employer Training Grants in specified sectors with per recipient caps on employers and employees. State program referenced in state WIOA plan as part of holistic approach. See: IC 22-4.1-26	\$21,365,000	\$0	\$0	\$21,365,000	2.0%	\$42,730,000	\$0	\$42,730,000	2.0%

				<u>Admini</u>	istrative Back	ground			2018-2019				Biennium	Total	
Funding/ Program	Description	Admin Agency	Rule Maker	Gen Ably Flexbility	Agency Flexibility	Agency Flexibility Rational	General	Dedicated	Federal	Total	% of Total	State	Federal	Total	% of Total
Trade Adjustment Act	Helps workers whose employment has been adversely affected by increased imports or shifts to foreign production	DWD	Feds	1	2	Formulaic distribution by fed DOL and administered by state DWD through the workforce systems and unemployment insurance programs. Benefits required under TAA include training and employment services, and weekly income support payments. Funds for TAA employment and training services are allocated to states based on a formula that considers past and anticipated future program usage. Income support and wage insurance programs are administered through local job centers, similar to the unemployment insurance system, with funding provided via fed DOL.	\$o	\$o	\$3,495,300	\$3,495,300	0.3%	\$0	\$6,990,600	\$6,990,600	0.3%
Wagner-Peyser Act	Counsel job seekers, help write resumes, match skills to employer needs, and help determine employer job demand	DWD	Feds	1	3	Used for Admin/Staff costs of Work One Centers. States may use 90 percent of the funds allotted to a State for labor exchange services, and other career services such as job search and placement services to job seekers; appropriate recruitment services for employers; program evaluations; developing and providing labor market and occupational information; management information systems; and administering the work test for unemployment insurance claimants. Section 7(b) of WIOA states that 10 % of funds allotted to State must be reserved for use by the Governor to provide performance incentives for public employment service offices and programs, provide services for groups with special needs, and provide for the extra costs of exemplary models for delivering services of the type described in section 7(a).	\$0	\$0	\$13,960,000	\$13,960,000	1.3%	\$0	\$27,920,000	\$27,920,000	1.3%

Funding/ Program	Description	Admin Agency	Rule Maker	Gen Ably Flexbility	Agency Flexibility	Agency Flexibility Rational	General	Dedicated	Federal	Total	% of Total	State	Federal	Total	% of Total
WIOA	Primarily used to provide case management services and training programs at WorkOne offices	DWD	Feds	1	3	State may customize allocation formula, within substantial federal limitations. Feds approve/deny state's proposed formula. Proposed formula subject to substantial limitations and must run through local workforce investment boards. State may reserve approx 15% set aside for state-determined purposes, but remaining funds flow through workforce development boards (composition prescribed by DOL). Allocation formulas are prescribed by WIOA. The negotiation process between the Governor and regional Workforce Development Board is prescribed by formula in WIOA. See generally: https://www.in.gov/dwd/files/IFA %20SFM%20Policy_Final.pdf	\$0	\$0	\$36,955,665	\$36,955,665	3.5%	\$0	\$73,911,330	\$73,911,330	3.5%
WorkIN	Access to short-term training opportunities that lead to industry recognized credentials in high-wage, high-demand occupations	DWD	State	5	5	Primarily Indiana discretionary, with less than 10% of support from WIOA (discretionary set aside). State program referenced in state WIOA plan as part of holistic approach. See: https://www.in.gov/dwd/files/WorkIndiana%20Policy_Final.pdf	\$5,000,000	\$0	\$0	\$5,000,000	0.5%	\$10,000,000	\$0	\$10,000,000	0.5%
IMPACT Program	Helps recipients of SNAP and TANF achieve economic self-sufficiency through education, training, job search, and job placement activities	FSSA	Feds	3	3	Included in State TANF Plan as mandatory for recipients of cash assistance. Some form of worker training is required for both TANF and SNAP both have work requirements that encompass job training, but both programs provide states flexibility in determining what programs are offered.	\$3,016,154	\$0	\$21,463,153	\$24,479,307	2.3%	\$6,032,308	\$42,926,306	\$48,958,614	2.3%

	Helps people with disabilities to prepare for, obtain or retain employment	FSSA	Feds	2	2	Funds primarily from federal DOE's State Vocational Rehabilitation Services Program.	\$15,866,049	\$0	\$60,524,258	\$76,390,307	7.2%	\$31,732,098	\$121,048,516	\$152,780,614	7.2%	
--	---	------	------	---	---	--	--------------	-----	--------------	--------------	------	--------------	---------------	---------------	------	--



Funding/ Program	Description	Admin Agency	Rule Maker	Gen Ably Flexbility	Agency Flexibility	Agency Flexibility Rational	General	Dedicated	Federal	Total	% of Total	State	Federal	Total	% of Total
Skills Enhancement Fund	Provides assistance to businesses to support training and upgrading skills of employees required to support new capital investment	IEDC	State	5	5	Statutory use is broadly defined as "training or retraining and upgrading skills" or "basic workforce skills of employees." See: IC 5-28-7 IEDC given full discretion regarding all other policy and implementation decision points. Note: Statute specifically allows (no requirement) use of SEF grants for traditional public and charter schools. See: IC 5-28-7-6	\$12,500,000	\$180,061	\$0	\$12,680,061	1.2%	\$25,360,122	\$0	\$25,360,122	1.2%
	General operating budget line items for Ivy Tech	Ivy Tech	State	5	5	Appropriations made directly to higher ed institutions, with no agency authority to influence distributions.	\$276,633,792	\$0	\$0	\$276,633,792	25.9%	\$545,494,361	\$0	\$545,494,361	25.6%
	Dual credit line item for Ivy Tech	lvy Tech	State	5	1	Dual Credit policy made directly by legislature. Funded at \$X per dual credit awarded by the institution in the prior biennium (resulting in 2-year lag of state "award" from university award of the dual credit). See: https://www.in.gov/che/files/DualCredit_final_041817.pdf	\$12,989,150	\$0	\$0	\$12,989,150	1.2%	\$25,978,300	\$0	\$25,978,300	1.2%
Vincennes	General operating budget line items for Vincennes	Vincennes	State	5	5	Appropriations made directly to higher ed institutions, with no agency authority to influence distributions.	\$41,117,382	\$0	\$0	\$41,117,382	3.8%	\$81,649,380	\$0	\$81,649,380	3.8%
Early College Program	Targets underrepresented, at-risk youth and aids in completing high school while also completing classes needed for an associates degree	Vincennes	State	5	5	Appropriations made directly to higher ed institutions, with no agency authority to influence distributions.	\$3,000,000	\$0	\$0	\$3,000,000	0.3%	\$6,000,000	\$0	\$6,000,000	0.3%

Vincennes Dual Credit	Dual credit line item for Vincennes	Vincennes	State	5	1	Governor and CHE in recent budget recommendations advocate policy of no new line items, preferring that university budget increases be made through Operating appropriations (and therefore subject to performance funding, unlike line items)	\$3,933,800	\$0	\$0	\$3,933,800	0.4%	\$7,867,600	\$0	\$7,867,600	0.4%



XXX. <u>APPENDIX C – RECOMMENDATION SUMMARY</u>

- 1. The Governor's Workforce Cabinet should develop a Combined WIOA state plan for the next submission of the state plan to the United States Department of Labor.
- **2.** During the development of the Combined WIOA state plan, there should be a continued review of federally funded workforce programs and strategic alignment of those plans to ensure maximum efficiency and effectiveness of resources.
- **3.** Further review of the potential and feasibility to provide more control of Adult Education to local workforce boards is necessary during the development of the next WIOA state plan.
- **4.** Continue to look for ways to scale and strengthen JAG.
- **5.** Transition funding from the CTE Innovation fund that is being spent on Skill UP to the Employer Training Grant program.
- **6.** Strengthen the Employer Training Grant program to include outcomes (wage gain or credential attainment) as a required component of the program.
- **7.** Allow for continued flexibility in the administration of the Employer Training Grant program to allow for responsiveness to changes in the economy.
- **8.** The Department of Workforce Development (DWD) and the Department of Corrections (DOC) need to work together to transition the HIRE program from DWD to DOC.
- **9.** Part of the WorkINdiana certificate funding should be transitioned to the Workforce Ready Grant program.
- **10.** Increase the amount of money provided to employers through the WorkIN employer reimbursement program.
- **11.** Include outcomes (wage gain or credential attainment) as part of the Skills Enhancement Fund program.
- **12.** Continue to look to greater alignment between state and federal programs, the state agency that administers those programs, and the population the agency serves.
- **13.** Continue to look to shift resources and decision-making to local communities.
- **14.** Develop a better communication plan and strategy to inform people of the programs the state has to offer to connect individuals to education, training, and employment.
- **15.** Develop common metrics for workforce programs to be able to compare return on investment across programs.
- **16.** Utilize part of the funding from the CTE Innovation fund and WorkINdiana program to fund the Career Coaching and Navigation grant program.